

**BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

RICHARD MICHAEL LARGE
12396 E. Paul Ave.
Clovis, CA 93611

**Certified Public Accountant Certificate No.
55701**

Respondent.

Case No. AC-2009-38

OAH No. 2010060975

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on December 24, 2010.

It is so ORDERED November 24, 2010.



FOR THE CALIFORNIA BOARD OF
ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS

1 EDMUND G. BROWN JR.
Attorney General of California
2 ALFREDO TERRAZAS
Senior Assistant Attorney General
3 JANICE K. LACHMAN
Supervising Deputy Attorney General
4 State Bar No. 186131
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7 *Attorneys for Complainant*

8 **BEFORE THE**
CALIFORNIA BOARD OF ACCOUNTANCY
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. AC-2009-38

12 **RICHARD MICHAEL LARGE**
13 **12396 E. Paul Ave.**
Clovis, CA 93611

OAH No. 2010060975

14 **Certified Public Accountant Certificate No.**
15 **55701**

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

16 Respondent.

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 PARTIES

21 1. Patti Bowers (Complainant) is the Executive Officer of the California Board of
22 Accountancy. She brought this action solely in her official capacity and is represented in this
23 matter by Edmund G. Brown Jr., Attorney General of the State of California, by Janice K.
24 Lachman, Supervising Deputy Attorney General.

25 2. Respondent Richard Michael Large is represented in this proceeding by attorney
26 Stephanie Sessions Perkins of Chapman Glucksman Dean Roeb & Barger, whose address is:
27 7509 Madison Avenue, Suite 112, Citrus Heights, CA 95610.
28

3. On or about May 11, 1990, the California Board of Accountancy issued Certified Public Accountant Certificate No. 55701 to Richard Michael Large (Respondent). The Certified Public Accountant Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. AC-2009-38 and will expire on September 30, 2012, unless renewed.

JURISDICTION

4. Accusation No. AC-2009-38 was filed before the California Board of Accountancy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on October 20, 2009. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. AC-2009-38 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. AC-2009-38. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at his own expense; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. AC-2009-38.

1 9. Respondent agrees that his Certified Public Accountant Certificate is subject to
2 discipline and he agrees to be bound by the California Board of Accountancy's (Board)
3 probationary terms as set forth in the Disciplinary Order below.

4 RESERVATION

5 10. The admissions made by Respondent herein are only for the purposes of this
6 proceeding, or any other proceedings in which the California Board of Accountancy or other
7 professional licensing agency is involved, and shall not be admissible in any other criminal or
8 civil proceeding.

9 CONTINGENCY

10 11. This stipulation shall be subject to approval by the California Board of Accountancy.
11 Respondent understands and agrees that counsel for Complainant and the staff of the California
12 Board of Accountancy may communicate directly with the Board regarding this stipulation and
13 settlement, without notice to or participation by Respondent or his counsel. By signing the
14 stipulation, Respondent understands and agrees that he may not withdraw his agreement or seek
15 to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails
16 to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary
17 Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal
18 action between the parties, and the Board shall not be disqualified from further action by having
19 considered this matter.

20 12. The parties understand and agree that facsimile copies of this Stipulated Settlement
21 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
22 effect as the originals.

23 13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
24 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
25 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
26 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
27 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
28 writing executed by an authorized representative of each of the parties.

14. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 55701 issued to Respondent Richard Michael Large (Respondent) is revoked. However, the revocation is stayed and Respondent is placed on probation for three (3) years on the following terms and conditions.

1. **Actual Suspension.** Certified Public Accountant Certificate No. 55701 issued to Richard Michael Large is suspended for two (2) years. During the period of suspension the Respondent shall engage in no activities for which certification as a Certified Public Accountant or Public Accountant is required as described in Business and Professions Code, Division 3, Chapter 1, Section 5051.

2. **Obey All Laws.** Respondent shall obey all federal, California, other states' and local laws, including those rules relating to the practice of public accountancy in California.

3. **Submit Written Reports.** Respondent shall submit, within ten (10) days of completion of the quarter, written reports to the Board on a form obtained from the Board. The Respondent shall submit, under penalty of perjury, such other written reports, declarations, and verification of actions as are required. These declarations shall contain statements relative to Respondent's compliance with all the terms and conditions of probation. Respondent shall immediately execute all release of information forms as may be required by the Board or its representatives.

4. **Personal Appearances.** Respondent shall, during the period of probation, appear in person at interviews/meetings as directed by the Board or its designated representatives, provided such notification is accomplished in a timely manner.

5. **Comply With Probation.** Respondent shall fully comply with the terms and conditions of the probation imposed by the Board and shall cooperate fully with representatives

1 of the Board of Accountancy in its monitoring and investigation of the Respondent's compliance
2 with probation terms and conditions.

3 6. **Practice Investigation.** Respondent shall be subject to, and shall permit, practice
4 investigation of the Respondent's professional practice. Such a practice investigation shall be
5 conducted by representatives of the Board, provided notification of such review is accomplished
6 in a timely manner.

7 7. **Comply With Citations.** Respondent shall comply with all final orders resulting
8 from citations issued by the Board of Accountancy.

9 8. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
10 Respondent should leave California to reside or practice outside this state, Respondent must
11 notify the Board in writing of the dates of departure and return. Periods of non-California
12 residency or practice outside the state shall not apply to reduction of the probationary period, or
13 of any suspension. No obligation imposed herein, including requirements to file written reports,
14 reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise
15 affected by such periods of out-of-state residency or practice except at the written direction of the
16 Board.

17 9. **Violation of Probation.** If Respondent violates probation in any respect, the Board,
18 after giving Respondent notice and an opportunity to be heard, may revoke probation and carry
19 out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is
20 filed against Respondent during probation, the Board shall have continuing jurisdiction until the
21 matter is final, and the period of probation shall be extended until the matter is final.

22 10. **Completion of Probation.** Upon successful completion of probation, Respondent's
23 license will be fully restored.

24 11. **Restitution.** Respondent has made restitution to California Employment
25 Development Department in the amount of \$480,000.00 and agrees to provide the Board with a
26 written release from California Employment Development Department, (EDD), attesting that full
27 restitution has been paid. Proof of Restitution, i.e., copies of issued drafts, shall be provided
28 before or concurrent with, the signing of this stipulation, and EDD verification of payment shall

1 be requested by Respondent and provided to the Board within 12 months of the signing of this
2 stipulation.

3 12. **Ethics Course/Examination.** Respondent shall take and pass with a score of 90 %
4 or better a Board approved ethics examination prior to conclusion of the probationary period, as
5 set forth herein. If Respondent fails to pass said examination within the time period provided, or
6 within two attempts, Respondent shall notify the Board and shall cease practice until Respondent
7 takes and successfully passes said exam, has submitted proof of same to the Board, and has been
8 notified by the Board that he may resume practice. Failure to pass the required examination no
9 later than 100 days prior to the termination of probation shall constitute a violation of probation.
10 Notwithstanding any other condition of this probation, failure to take and pass this examination
11 within 5 years of the effective date of this order constitutes a separate cause for discipline of
12 Respondent's license.

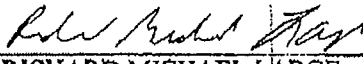
13 13. **Cost Reimbursement.** Respondent shall reimburse the Board \$6,077.50 for its
14 investigation and prosecution costs. The final payment shall be made within 12 months from the
15 date the Board's decision is final.

16 14. **Notification to Clients/Cessation of Practice.** Respondent shall comply with
17 procedures provided by the Board of Accountancy or its designee regarding notification to, and
18 management of, clients.

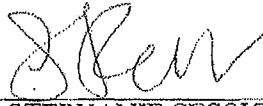
19
20 **ACCEPTANCE**

21 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
22 discussed it with my attorney, Stephanie Sessions Perkins. I understand the stipulation and the
23 effect it will have on my Certified Public Accountant Certificate. I enter into this Stipulated
24 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
25 bound by the Decision and Order of the California Board of Accountancy.

26 DATED: 10/25/10


27 RICHARD MICHAEL LARGE
28 Respondent

1 I have read and fully discussed with Respondent Richard Michael Large the terms and
2 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
3 I approve its form and content.

4 DATED: 10.30.10
5 STEPHANIE SESSIONS PERKINS
6 Attorney for Respondent7 **ENDORSEMENT**

8 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
9 submitted for consideration by the California Board of Accountancy of the Department of
10 Consumer Affairs.

11 Dated: 11/2/10

12 Respectfully Submitted,

13 EDMUND G. BROWN JR.
14 Attorney General of California
15 ALFREDO TERRAZAS
16 Senior Assistant Attorney General


17 JANICE K. LACHMAN
18 Supervising Deputy Attorney General
19 Attorneys for Complainant
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Exhibit A

Accusation No. AC-2009-38

1 EDMUND G. BROWN JR.
Attorney General of California
2 JANICE K. LACHMAN
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7 *Attorneys for Complainant*

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9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

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12 **RICHARD MICHAEL LARGE**
13 **12396 E. Paul Ave.**
14 **Clovis, CA 93611**

A C C U S A T I O N

15 **Certified Public Accountant No. 55701**

16 Respondent.

17
18 Complainant alleges:

19 **PARTIES**

20 1. Patti Bowers, ("Complainant"), brings this Accusation solely in her official capacity
21 as the Executive Officer of the California Board of Accountancy, Department of Consumer
22 Affairs.

23 2. On or about May 11, 1990, the California Board of Accountancy issued Certified
24 Public Accountant Certificate Number 55701, to Richard Michael Large, ("Respondent").
25 Respondent's license was in full force and effect at all times relevant to the charges brought
26 herein and will expire on September 30, 2010, unless renewed.

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JURISDICTION AND STATUTORY PROVISIONS

3. This Accusation is brought before the California Board of Accountancy ("Board"), Department of Consumer Affairs, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 5100 states, in part:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

"(a) Conviction of any crime substantially related to the qualifications, functions and duties of a certified public accountant or a public accountant. . . .

5. Section 5106 states:

"A plea or verdict of guilty or a conviction following a plea of *nolo contendere* is deemed to be a conviction within the meaning of this article. The record of the conviction shall be conclusive evidence thereof. The board may order the certificate or permit suspended or revoked, or may decline to issue a certificate or permit, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made, suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty or dismissing the accusation, information or indictment."

6. Section 490 of the Code provides, in part, that a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued.

7. Section 493 of the Code states, in part:

Notwithstanding any other provision of law, . . . the record of conviction of the crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the board may inquire into the circumstances surrounding the commission of the crime in order to fix

1 the degree of discipline or to determine if the conviction is substantially related to the
2 qualifications, functions, and duties of the licensee in question."

3 8. California Unemployment Insurance Code section 2101.5, states:

4 "It is a violation of this chapter to willfully make a false statement or representation or
5 knowingly fail to disclose a material fact for the purpose of lowering or avoiding any contribution
6 required of the maker or other person, or to avoid becoming or remaining subject to this
7 division."

8 9. Section 5063 of the Code states in pertinent part:

9 "A licensee shall report to the board in writing of the occurrence of any of the following
10 events . . .

11 "(1) The conviction of the licensee of any of the following:

12 (A) A felony.

13 (B) Any crime related to the qualifications, functions, or duties of a public
14 accountant or certified public accountant, or to acts or activities in the course and scope of the
15 practice of public accountancy. . . .

16 (C) Any crime involving theft, embezzlement, misappropriation of funds or property,
17 breach of a fiduciary responsibility, or the preparation, publication, or dissemination of false,
18 fraudulent, or materially misleading financial statements, reports, or information. . . ."

19 COST RECOVERY

20 8. Section 5107(a) of the Code states, in part:

21 "The executive officer of the board may request the administrative law judge, as part of the
22 proposed decision in a disciplinary proceeding, to direct any holder of a permit or certificate
23 found to have committed a violation or violations of this chapter to pay to the board all reasonable
24 costs of investigation and prosecution of the case, including, but not limited to, attorneys' fees.
25 The board shall not recover costs incurred at the administrative hearing."

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Conviction of a Substantially Related Crime)**

3 9. Respondent is subject to disciplinary action under sections 5100(a) and 490 of the
4 Code in that on or about August 1, 2007, in the criminal proceeding titled *People v. Richard M.*
5 *Large, et al.*, (Fresno County Superior Court No. F07901673), Respondent was convicted on a
6 plea of *nolo contendere* to a reduced misdemeanor charge of violating Unemployment Insurance
7 Code section 2101.5, a crime substantially related to the qualifications, functions and duties of a
8 Certified Public Accountant.

9 The circumstances are that in or about 1995 Respondent became licensed as a farm labor
10 contractor, and in 1998 sold the business to his stepson, Alfred Lopez, who operated it briefly
11 under his own farm labor contracting license. In 2000, the business was allegedly transferred to
12 Respondent's son, Matthew Large, who ran it under Respondent's farm labor contracting license.
13 In January 2004, another of Respondent's sons, Rodney Lopez, ostensibly purchased the business
14 from Respondent and began to run it.

15 The California Employment Development Department charged that Respondent's farm
16 labor contracting business, from the time of transfer to Matthew Large and through the transfer to
17 Rodney Lopez, received the benefit of a lower rate for State unemployment insurance
18 contributions of 3.5%, as opposed to 6.2%, during the period of ostensible ownership and
19 operation. Under the terms of the plea, the deficiency owed by Respondent was agreed to be the
20 amount of \$480,645.

21 **SECOND CAUSE FOR DISCIPLINE**

22 **(Failure to Report Conviction to Board)**

23 10. Respondent is subject to disciplinary action under Code sections 5063(a)(1)(B) and
24 (C), in that, on or about August 1, 2007, Respondent was convicted on a plea of *nolo contendere*
25 to a reduced misdemeanor charge of violating Unemployment Insurance Code section 2101.5, a
26 crime substantially related to the qualifications, functions and duties of a Certified Public
27 Accountant, and failed to report it to the Board in compliance with the law.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the California Board of Accountancy issue a decision:

1. Revoking, suspending or otherwise imposing discipline upon Certified Public Accountant Certificate Number 55701, issued to Richard Michael Large.
2. Ordering Richard Michael Large to pay the California Board of Accountancy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 5107;
3. Taking such other and further action as deemed necessary and proper.

DATED: October 15, 2009

Patti Bowers
PATTI BOWERS
Executive Officer
California Board of Accountancy
Department of Consumer Affairs
State of California
Complainant

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